

Nala Local Municipality

Financial statements

for the year ended 30 June 2007

Nala Local Municipality**Financial statements***for the year ended 30 June 2007*

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Nala Local Municipality**General information***for the year ended 30 June 2007***Grading of local authority**

Medium capacity (Grade 6)

Auditors

Auditor-General

BankersFirst National Bank, Bothaville
Account number: 62025990765**Registered office*****Physical address:***Municipal Buildings
9 Preller Street
Bothaville
9660***Postal address:***Private Bag X15
Bothaville
9660***Telephone number:***

056 – 514 9200

Fax number:

056 – 515 3922

Nala Local Municipality**General information***for the year ended 30 June 2007 (continued)***Municipal Manager**

Mr M.P Thithi

Chief Financial Officer

Mr D.K. Shongwe

Members of the Nala Local Council*Executive Committee*

M.S Mabaso
D.A Mahalapa
D.C Ross
R.D Mpatane
M.N Mashiya
M.M Mohorosi

Non-executives

T.A Mogoje
M.R. Lenake
F.D. Maphisa
K.J. Maselo
M.S. Sebokolodi
T.F. Ntshabiseng
D.J. Kulashe
M.A. Nyamane
M.M. Mpesi
S le Roux
M.B. Liphane
T.L. Moshodi
Z.S. Sikade
D.M. Masisi
M.M. Stander
J.M. Mabeleng
E.M. Molutsi
M.R. Zodane

Mayor

Ms M.M Mohorosi

Map of the Nala Local Municipality

A map of the local authority is available on request at the council's offices.

Nala Local Municipality**Approval of the financial statements***for the year ended 30 June 2007*

The annual financial statements set out on pages 6 to 38 were approved by the Municipal Manager on 31ST OF August 2007.

.....
Municipal Manager

.....
Chief Financial Officer

Nala Local Municipality

Foreword to the financial statements

for the year ended 30 June 2007

Introduction

It is my honour and privilege to present this overview for the year under review, the 2006/2007 financial year. Similarly to the previous reporting financial periods, our municipality has continued to face some rather tough challenges of a varying nature. However, I am delighted to say that we are now beginning to systematically tackle all these challenges with the highest possible vigour and strength and most importantly, the results are beginning to show.

The 2006/07 financial year has shown keen interest in the financial affairs of Nala Municipality through increased public participation by most wards in the budget process, resulting in people driven budget and more realistic budget. Job creation is one of the major challenges facing the community, and with the prospects of Bio-fuel plant and Titanium mining ventures set for 2007/8, this challenge seems slowly being addressed within Nala Municipality.

Nala Municipality continues to strive for better service delivery to the community of Nala but with limited resources at the municipality's disposal, the municipality is trying by all means to provide efficient, effective and proficient service to the people.

Financial results

Although a significant effort has been made to curb the expenses incurred by Nala Municipality by managing our expenses effectively, a huge effort must be made to encourage the community to pay the levies due to the council. The current budget is a necessarily austere one. We have a duty to do everything possible to spare ratepayers and users of municipal services the steep rises in rates and tariffs that would be the result of simply passing on all inflationary cost increase.

Financial assistance

Government is increasingly seeking to devolve additional responsibilities to local government, and this is a challenge for our financial resources. Our infrastructure is coming under further strain. Without the assistance of the Central Government, the survival of Nala Municipality would have been difficult.

The majority of capital projects are dependent on external grants and subsidies. The assistance of the Lejweleputswa Area District Council must be mentioned in this regard. Without their assistance of providing projects to sustain the services the community would have endeared lesser quality services.

Appreciation

In conclusion I would like to express my appreciation to the Executive Committee, the Municipal Manager and staff for their support, co-operation and hard work.

.....
Mayor

Nala Local Municipality

Report of the Auditor-General *for the year ended 30 June 2007*

The Auditor-General will issue its report upon finalisation of the audit.

Nala Local Municipality

Treasurer's report

for the year ended 30 June 2007

It is a pleasure to present this report for the 2006/2007 financial year.

1. Review of operating results

Details of the operating results per department, classification and object of expenditure are included in Appendices D and E. The applicable statistics are shown in Appendix F. The overall operating results for the year ended 30 June 2007 are detailed below:

Income	Actual 2006 R	Actual 2007 R	Variance 2006/2007 %	Budget 2007 R	Variance Actual / Budget %
Income for the year	127,913,803	124,878,106	(2)	120,635,845	3
Closing deficit	42,556,883	30,118,253	(29)	-	
	<u>170,470,686</u>	<u>154,996,359</u>		<u>120,635,845</u>	
Expenditure					
Operating deficit	32,103,537	33,854,475	5	-	
Expenditure for the year	138,367,150	104,975,492	(24)	120,393,499	13
Appropriation for the year	-	16,166,392	100	-	
	<u>170,470,687</u>	<u>154,996,359</u>		<u>120,393,499</u>	

Nala Local Municipality

Treasurer's report

for the year ended 30 June 2007 (Continued)

1.1 Rates and general services

	Actual 2006 R	Actual 2007 R	Variance 2006/2007 %
Income	54,542,380	82,464,346	51
Expenditure	(110,942,654)	(59,979,499)	(46)
Surplus (deficit)	165,485,034	22,484,847	
Surplus (deficit) as % of total income	(203)	27	

1.2 Subsidized service

Income	25,261,714	15,998,192	37
Expenditure	(53,812,313)	(9,506,519)	82
Surplus (deficit)	(28,550,599)	6,491,673	
Surplus as % of total income	(213)	40	

Nala Local Municipality

Treasurer's report

for the year ended 30 June 2007 (Continued)

1.3 Trading services

The price for the purchase of electricity and water are subject to the announced tariffs. The tariffs levied should be based on the operating expenditure of the services. The following is a summary of the operating results of the municipality's trading services, which reflects surpluses in respect of both these accounts.

Electricity Services	Actual 2006 R	Actual 2007 R	Variance 2006/2007 %	Budget 2007 R	Variance Actual / Budget %
Income	31,529,847	19,537,844	(38)	26,500,948	(26)
Expenditure	(17,113,626)	(16,518,003)	3	(25,478,205)	(35)
Surplus (deficit)	14,416,222	3,019,841		1,022,743	
Surplus (deficit) as % of total income.	(54)	15		4	
Water Services					
Income	41,841,575	18,849,728	(55)	25,009,942	
Expenditure	10,310,869	(12,298,731)		(23,814,560)	
Surplus (deficit)	52,152,445	6,550,997		1,195,382	
Surplus (deficit) as % of total income.	25	35		5	

Nala Local Municipality Treasurer's report

for the year ended 30 June 2007 (Continued)

2. Capital Expenditure and financing

The total capital expenditure of fixed assets during the year under review amounted to R 989,296. This is 95% less compared to the previous year. The actual capital expenditure is less than the budgeted capital expenditure and consists of the following:

	2006 Actual R	2007 Budget R	2007 Actual R
Administration		10,000	
Council General	-	60,000	591,383
Traffic and security	-	-	
Health	-	-	
Sports and recreation	-	140,000	
Roads and Streets	-	6,300,000	
Sewerage and sanitation	-	50,000	
Cemetery	151,979	-	
Financial service-Head	50,531	200,000	
Corporate service-Administration	-	-	83,519
Financial service-Budget	-	110,000	
Financial service-Stores	-	60,000	
Technical service-Head	284,223	-	
Library	-	20,000	
Civil and buildings	-	160,000	
Housing	105,384	20,000	
Electricity service	-	1,000,000	264,479
Water service	-	50,000	49,915
Waste Management	-	50,000	
Special project- Youth development	20,953	-	
Human Resources		20,000	
Total	613,070	8,250,000	989,296

The expenditure was financed as follows:

	2006 Actual R	2007 Budget R	2007 Actual R
Contributions-Operating account	-	8,250,000	314,394
Grants and subsidies	-	-	674,902
Total	-	8,250,000	989,296

Nala Local Municipality Treasurer's report

for the year ended 30 June 2007 (Continued)

3. External Loans, Investment and cash

External loans outstanding as at 30 June 2007 amounted to R4, 745,546 and are detailed in Appendix B. External loans and interest in arrears as at 30 June 2007 amounted to R 18,152,896. Repayment of external loans amounted to R 479,894

	R
Capital	479,894
Capital-arrears	-
Interest	-
	<u>479,894</u>

Investments and cash consist of the following:

Current bank account	(13,201,995)
Investment	836,446
	<u>(12,365,549)</u>

More information regarding loans, external investments and cash are disclosed in note 4, 12 and Appendix B to the financial statements.

4. Funds, reserves and provisions

The total funds of the council amounted to R23, 429,672 as at 30 June 2007. More information regarding funds and reserves are disclosed in notes 1, 2, 3 and 11 and Appendix A to the financial statements.

	R
Statutory funds	18,213,002
Trust funds	1,696,467
Reserves	598,595-
Provisions	4,454,110
	<u>24,962,174</u>

These funds are not represented by investments with financial institution

**Nala Local Municipality
Treasurer's report**

for the year ended 30 June 2007 (Continued)

5. Post balance sheet events

There have not arisen any items, transaction or events of a material or unusual nature likely to affect significantly the operations of the municipality or its results in the current or future financial years.

6. Going concern

The municipality's financial statements have been prepared on the going concern basis which assumes that the Government will continue to fund the municipality and that it will be able to meet its future obligations and commitments in the ordinary course of business. Accordingly these financial statements do not include any adjustments relating to the valuation of assets or the classification of liabilities that might be necessary should the municipality be unable to continue as a going concern.

7. Appreciation

I am grateful to the Mayor, Speaker, the Municipal Manager and all office staff for the support they have given me and to the staff of my own office.

DK Shongwe
CFO

Nala Local Municipality

Accounting policy

for the year ended 30 June 2007

1. Basis of presentation

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local authorities (Second editions – January 1996 as amended).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
 - Income is accrued when collectable and measurable. Certain direct income is accrued when received, such as traffic fines and certain licences.
 - Expenditure is accrued in the year it is incurred.

2. Consolidation

The financial statements include the Rates and General services, Housing services, Trading services and the different funds, reserves and provisions. All inter-departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, sewerage, electricity, water and premiums charged by the insurance fund, which are treated as income and expenditure in the respective departments.

Nala Local Municipality

Accounting policy

for the year ended 30 June 2007 (continued)

3. Fixed assets

3.1 Fixed assets are stated:

- At historical cost, or
- At valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Treasurer.

3.2 Depreciation

The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation; however, certain structural differences do exist. By way of the "Provision" assets are written down over their estimated useful life. Apart from advances from various council funds, assets may also be acquired through:

- Appropriation from income, where the full cost of the asset forms an immediate and direct charge against the operating income, and therefore it is unnecessary to make any further provision for depreciation.
- Grant or donation where the amount representing the value of such grants or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

3.3 All net proceeds from the sale of fixed property are credited to the Erven Trust fund. Net proceeds from the sale of all other assets are credited either to the Special capital fund or the Capital development fund.

3.4 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance is made.

4. Inventory

Inventory (stores and materials) is valued at the lower of cost, determined on the weighted average basis, and net realisable value.

Nala Local Municipality

Accounting policy

for the year ended 30 June 2007 (continued)

5. Funds and reserves

5.1 Capital development fund

The Capital development fund ordinance no. 40 of 1962, requires a minimum contribution of 1, 0% of the defined income for the immediately preceding financial year.

5.2 Leave reserve fund

The general fund is maintained to cover claims that may occur. Contributions are charged to the respective services, taking into account past claims and replacement value of the total days leave payable to employees. Re-evaluation is carried out at regular intervals.

5.3 Bonus reserve fund

The general fund is maintained to cover claims that may occur. Contributions are charged to the respective services, taking into account the total days payable to employees. Re-evaluation is carried out at regular intervals.

5.4 Bad debts reserve

Contributions from the revenue account are made to build up a bad debts reserve for the future loss in respect of bad debts. This fund will be utilised when council approval is given for the writing off of bad debts.

Nala Local Municipality

Accounting policy

for the year ended 30 June 2007 (continued)

6. Retirement benefits

Nala Local Municipality and its employees contribute to the SALA Pension Fund and other employees of Nala Local Municipality contribute to the Free State Provident Fund, which provides retirement benefits to such employees. The retirement benefit plan is subject to the Pension Funds Act of 1956, with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current service costs.

Unfavourable experience adjustments and the cost of securing increased benefits are written off over the lesser of the remaining period of service of employees or five years. Favourable experience adjustments are retained in the retirement benefit plan. Full actuarial valuations are performed at least every three years.

7. Surpluses and deficits

Any surpluses or deficits arising from the operation of the Electricity and Water services are transferred to Rate and General Services. There are no closed accounts and therefore no surplus or deficit is retained in that service for its own use.

8. Treatment of administration and other overhead expenses

The costs of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services (June 1990).

9. Leased assets

Fixed assets held under finance lease are capitalised. Such assets are effectively amortised over the term of the lease agreement.

Finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.

All other leases are treated as operating leases and the relevant rentals are charged against the operating account in a systematic manner to the period of use of the assets concerned.

Nala Local Municipality

Accounting policy

for the year ended 30 June 2007 (continued)

10. Investments

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested per Circular issued by the Provincial Legislature.

11. Deferred charges

There are at present no deferred charges, but if accrued, the balance outstanding of the cost incurred in raising loans on the capital market, will be recovered from the operating income over the periods of the various loans involved.

12. Income recognition

12.1 Electricity and water billing

Meters in industrial areas, premises with high-tension supplies, high density residential areas and certain selected residential areas are read and billed monthly.

Meters on all other properties are read monthly and are provisionally billed monthly with the necessary adjustments being made.

12.2 Assessment rates

Bothaville and Wesselsbron Municipality levy assessment rates based on the value of the property. The value of the property consists of the land and improvements. Rebates are granted to state properties, according to the percentage council agrees on.

Kgotsoeng and Monyakeng do not levy assessment rates based on the value of the property, because no valuations exist. In terms of the council resolutions, assessment rates are levied at a fixed amount and are not based on the value of property.

Nala Local Municipality

Balance Sheet

as at 30 June 2007

	Note	2007 R	2006 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES			
		18,811,597	17,964,880
Statutory funds	1	18,213,002	17,366,285
Reserves	2	598,595	598,595
Accumulated deficit		<u>(38,820,661)</u>	<u>(42,556,884)</u>
		(20,009,064)	(24,592,004)
		24,211,274	7,066,097
Trust funds	3	1,696,467	1,658,407
Long term liabilities	4	21,508,385	4,506,790
Consumer deposits	5	1,006,422	900,900
		<u>4,202,210</u>	<u>(17,525,907)</u>
EMPLOYMENT OF CAPITAL			
Fixed Assets	6	6,571,078	6,158,023
Investments	7	836,446	795,593
Housing Funds		28,954	-
Capital projects	8	3,623,213	-
		<u>11,059,691</u>	<u>6,953,616</u>
Net current assets		(6,857,481)	(24,479,523)
Current assets		31,986,907	28,815,150
Inventory	9	251,575	151,446
Debtors	10	31,735,332	28,663,704
Current Liabilities		38,844,388	53,294,673
Provisions	11	4,454,110	4,487,193
Creditors	12	19,798,226	40,377,768
Short-term portion long-term liabilities	4	1,390,057	652,725
Bank overdraft		13,201,995	7,776,987
		<u>4,202,210</u>	<u>(17,525,907)</u>

Nala Local Municipality

Income statement

for the year ended 30 June 2007

	Actual Revenue 2006 R	Actual Expenditure 2006 R	Surplus/ (Deficit) 2006 R		Actual Revenue 2007 R	Actual Expenditure 2007 R	Surplus/ (deficit) 2007 R	Budget surplus/deficit 2007 R
	54,542,380	110,942,654	(56,400,274)	Rates and general service	82,464,346	59,979,499	22,484,847	14,386,825
	22,337,322	43,695,153	(21,357,831)	Community Services	55,161,499	47,169,916	7,991,583	(10,075,693)
	25,261,714	53,812,313	(28,550,599)	Subsidised Services	15,998,192	9,506,519	6,491,673	13,637,791
	6,943,344	13,435,188	(6,491,844)	Economic Services	11,304,655	3,303,064	8,001,591	10,824,727
	73,371,423	27,424,495	45,946,928	Trading Services	38,387,572	28,816,734	9,570,838	9,993,128
				General	4,026,188	16,179,259	(12,153,071)	
	127,913,803	138,367,149	(10,453,346)	Total	124,878,106	104,975,492	19,902,614	24,379,953
			-	Appropriation for the year			(16,166,392)	
			(10,453,346)	Net surplus/(deficit) for year			3,736,222	
			(32,103,537)	Retained deficit at the beginning of the year			(42,556,883)	
			(42,556,883)	Accumulated deficit at end of the year			(38,820,661)	

Nala Local Municipality

Cash flow Statement

for the year ended 30 June 2007

	Note	2007 R	2006 R
CASH RETAINED FROM OPERATING ACTIVITIES		6,041,188	10,245,197
Cash generated		9,069,303	10,245,197
Cash generated by operations	18	32,443,045	(5,201,780)
Investment income	16	25,853	-
(Increase) / decrease in working capital	19	(23,399,595)	15,446,977
Less: External interest paid	16	(3,028,115)	-
Cash available from operations		6,041,188	10,245,197
CASH UTILISED IN INVESTING ACTIVITIES			
Proceeds from sale of fixed assets		-	-
Investment in fixed Assets		(989,296)	(613,069)
NET CASH FLOW		<u>5,051,892</u>	<u>9,632,128</u>
Cash effects of financing activities			
Decrease/ (increase) in external long term loans	20	(413,969)	-
Increase / (decrease) in external cash investments	21	40,853	203,255
(Increase) / decrease in cash on hand	22	5,425,008	9,428,873
Net cash generated		<u>5,051,892</u>	<u>9,632,128</u>

Nala Local Municipality
Notes to the Financial Statements
for the year ended 30 June 2007

	2007 R	2006 R
1. Statutory Funds		
Capital Development Fund	11,779,774	11,797,774
Erven Development Fund	6,415,228	5,568,511
	<u>18,213,002</u>	<u>17,366,285</u>
These funds are not represented by investments with financial Institutions.		
Restatement of Erven trust fund:		
Opening balance	5,568,511	5,568,511
Restatement		
Movement for the year	846,717	-
	<u>6,415,228</u>	<u>5,568,511</u>
2. Reserves		
Study Loan Fund	50,378	50,378
Taxation and General Services	74,891	74,891
Handling Services	590	590
Vehicle and Tourist Replacement Reserve	413,926	413,926
Loss of Rental Reserve	8,742	8,742
Germ Skap Fasil Scheme 5	1,224	1,224
Germ Skap Fasil Scheme 4	6,597	6,597
Social Service Building	839	839
Disaster Fund	2,798	2,798
Construction Fund	34,466	34,466
Stabilization Fund	4,144	4,144
	<u>598,595</u>	<u>598,595</u>
These funds are not represented by investments with financial Institutions. (Refer to Appendix A for more details)		
3. Trust funds		
Replacement Fund	202,650	202,650
Loan Redemption Fund	219,248	219,248
Donations	661	661
Endowment fund	1,273,908	1,235,848
	<u>1,696,467</u>	<u>1,658,407</u>

These fund are not represented by investments with financial Institutions. (Refer to Appendix A for more details)

Nala Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2007 (Continued)

	2007 R	2006 R
4. Long term liabilities	22,898,442	5,159,515
External loans – DBSA & INCA	4,745,546	5,159,515
Arrear loans – DBSA & INCA	3,122,699	-
Arrear interest – DBSA & INCA	15,030,197	-
Less: Short term portion transferred to current liabilities	(1,390,057)	(652,725)
External loans	(1,390,057)	(652,725)
Motor vehicle lease	-	-
	<u>21,508,385</u>	<u>4,506,790</u>
(Refer to Appendix B for more detail on long term liabilities)		
5. Consumer deposits		
Electricity and water	<u>1,006,422</u>	<u>900,900</u>
6. Fixed assets		
Beginning of the year	145,085,879	144,472,810
Capital expenditure during the year	989,296	613,069
Less: Assets written off, transferred or disposed of during the year	-	-
Total fixed assets	146,075,175	145,085,879
Less: loans redeemed and other capital receipts	(139,504,098)	(138,927,856)
Net fixed assets	<u>6,571,078</u>	<u>6,158,023</u>
(Refer to Appendix C and Section 2 of the Treasurers Report for more detail)		
7. Investments		
Unlisted		
Senwes	60,959	35,106
Old mutual	775,487	760,487
Total investments	<u>836,446</u>	<u>795,593</u>
Management's valuation of unlisted and investment		
Unlisted investments	<u>836,446</u>	<u>795,593</u>

Nala Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2007 (Continued)

	2007 R	2006 R
8. Capital projects		
Projects	3,623,213	-
	3,623,213	-
9. Inventory		
Inventory represents consumables and raw materials. Where necessary specific provision is made for obsolete inventory	251,575	151,446
10. Debtors		
Consumer Debtors	94,107,514	76,682,822
Current debtors (other)	(3,565,060)	(1,166,946)
Grants to be received	8,590,912	6,845,096
Vat receivable	4,000,335	-
Deposits not yet allocated	(5,523,108)	(19,293)
	97,610,592	82,341,679
Less: Provision for bad debts	(65,875,260)	(53,677,975)
	31,735,332	28,663,704
11. Provisions		
Audit fees	1,350,000	1,350,000
Bonus provision	934,943	968,026
Leave reserve	1,996,596	1,996,596
Valuation Roll	172,571	172,571
Provision for bad debts	65,875,260	53,677,975
Less: provision allocated to debtors (refer note 10)	(65,875,260)	(53,677,975)
	4,454,110	4,487,193

(Refer to appendix A for more detail)

Nala Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2007 (Continued)

		2007 R	2006 R
12. Creditors			
Trade creditors		4,721,338	33,863,399
Arrear capital outstanding on external loans		-	2,141,541
Arrear interest outstanding on external loans		-	2,912,874
Grants not utilized for projects			81,824
Suspense account		14,090,269	-
Salary sundry creditors		986,619	1,144,119
Vat Payable		-	234,011
		<u>19,798,226</u>	<u>40,377,768</u>
13. Assessment rates		Actual Income	Actual Income
	VALUATION AS AT 1 Sep 2003	2007	2006
Bothaville and Wesselsbron		R	R
Residential	244,702,750	3,539,515	9,047,362
Commercial	54,302,188	4,326,073	2,007,708
State	40,426,621	211,190	206,458
	<u>339,431,559</u>	<u>8,076,778</u>	<u>11,261,528</u>
Valuations on land are performed every five year and the last general valuation came into effect 01 September 2003.			
14. Councilors's remuneration		2007	2006
		R	R
Mayors allowances		452,125	326,020
Speakers allowances		383,810	260,810
Councilors allowances		2,598,190	1,760,544
Councilors pension fund contribution		417,690	432,796
Executive committee allowances		787,150	537,932
		<u>4,638,965</u>	<u>3,318,102</u>
15. Auditor's remuneration			
Audit Fees		-	1,350,000
Under provision		-	-
		<u>-</u>	<u>1,350,000</u>

Nala Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2007 (Continued)

	2007 R	2006 R
16. Financial transactions		
<i>Total external interest earned and paid:</i>		
Interest earned	25,853	-
	<u>25,853</u>	
Bank overdraft	13,201,995	7,776,987
	<u>13,201,995</u>	<u>7,776,987</u>
<i>Capital charges debited to operating account:</i>		
Interest-External	3,028,115	-
Interest-Internal	-	-
Redemption-External	-	-
Redemption-Internal	-	-
	<u>3,028,115</u>	<u>-</u>
17. Accumulated Deficit		
Appropriation Account		
Acc.Surplus/(Deficit) begin of year	(42,556,884)	(32,103,537)
Operating surplus/(deficit) for year	19,902,614	(10,453,347)
Appropriation for the year	(16,166,392)	-
Accumulated surplus / (deficit): end of year	<u>(38,820,662)</u>	<u>(42,556,884)</u>
Operating account		
Movement in Bonus provision	50,316	195,143
Movement in Audit fee provision	-	150,000
Movement in Capital development fund	-	1,095,873
Capital expenditure	-	855,369
Movement in Leave reserve fund	328,241	609,577
Movement in Provision for bad debts	12,197,285	(32,373,218)
	<u>12,575,842</u>	<u>(29,812,399)</u>

Nala Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2007 (Continued)

	2007 R	2006 R
18. Cash generated by operations		
(Deficit)/Surplus for year	19,902,614	(10,453,347)
Previous year's operating transactions	(16,166,392)	-
Finance charges	(3,028,115)	-
Appropriation charged against income	4,612,509	859,024
-Capital projects	3,623,213	-
-Fixed assets	989,296	613,069
-Provisions	-	245,955
Capital charges		
-Loans redeemed and advances paid-External	109,042	-
Investment income	25,853	-
Donation and subsidies	26,987,534	4,367,076
Profit on disposal of property, plant and equipment	-	-
Non-trade expenditure		
-Expenditure charged to provisions and reserves	-	25,467
	<u>32,443,045</u>	<u>(5,201,780)</u>
19. (Increase) /decrease in working capital		
(Increase)/ decrease in debtors, long term debtors	(3,071,628)	7,030,972
Increase / (decrease) in creditors, consumer deposits	(20,579,542)	8,271,769
(Increase) /decrease in inventory	251,575	144,236
	<u>(23,399,595)</u>	<u>15,446,977</u>
20. Decrease/(increase) in external long term loans		
Loans increase / (decrease)	<u>(413,969)</u>	<u>-</u>
21. Increase/(decrease) in external cash investments		
Investment realized	-	-
Investment made	<u>40,853</u>	<u>203,255</u>
	<u>40,853</u>	<u>203,255</u>

Nala Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2007 (Continued)

	2007	2006
	R	R
22. Increase / (decrease) in cash on hand		
Cash Balance at the beginning of the year	(7,776,987)	1,651,886
Cash Balance at the end of the year	(13,201,995)	(7,776,987)
Movement in cash for the year	<u>(5,425,008)</u>	<u>(9,428,873)</u>

23. Retirement benefits

Nala Municipality and its employees contribute to the Free State Municipality Pension Fund and the Free State Municipality Retirement Fund.

The retirement benefits plan is subject to the Pension Fund Act with pensions being calculated on the final pensionable remuneration paid.

24. Contingent liabilities and contractual obligations

Provision for leave as at 30 June 2007 amounts to R 1 996 596
The council adopts a policy to carry a provision of 100% of the outstanding amount.

25. Prior year figures

Prior year figures have been reclassified where necessary.

26. Statistical information

(Refer to Appendix F for more detail)

Nala Local Municipality

Financial statements

for the year ended 30 June 2007

Appendix A

Statutory funds, trust funds and reserves

	Balance at 30 June 2006 R	Contributions during the year R	Interest on investments R	Restatements R	Operating expenditure during the year R	Capital expenditure during the year R	Balance at 30 June 2007 R
Statutory funds							
Capital development fund	11,797,774	-	-	-	-	-	11,797,774
Erven Trust Fund	5,568,511	846,717	-	-	-	-	6,415,228
	17,366,285	846,717	-	-	-	-	18,213,002
Trust funds							
Loan Redemption fund	219,248	-	-	-	-	-	219,248
Replacement Funds	202,650	-	-	-	-	-	202,650
Endowment Fund	1 235,848	38,060	-	-	-	-	1,273,908
Donations	661	-	-	-	-	-	661
	1,658,407	38,060	-	-	-	-	1,696,467
Reserves							
Study Loan Funds	50,378	-	-	-	-	-	50,378
Loss of Rental Reserve	8,742	-	-	-	-	-	8,742
Gem Skap Fasil Scheme 5	1,224	-	-	-	-	-	1,224
Gem Skap Fasil Scheme 4	6,597	-	-	-	-	-	6,597
Social Service Building	839	-	-	-	-	-	839
Ramp Funds	2,798	-	-	-	-	-	2,798
Construction Fund	34,466	-	-	-	-	-	34,466
Stabilisation Fund	4,144	-	-	-	-	-	4,144
Taxation and General Services	74,891	-	-	-	-	-	74,891
Handling Services	590	-	-	-	-	-	590
Vehicle and Tourist Replacement Reserve	413,926	-	-	-	-	-	413,926
	598,595	-	-	-	-	-	598,595
Provisions							
Audit fees	1,050,000	-	-	300,000	-	-	1,350,000
Bonus reserve	772,883	-	-	162,060	-	-	934,943
Leave reserve	2,245,784	-	-	249,188	-	-	1,996,596
Valuation Roll	172,571	-	-	-	-	-	172,571
Provision for bad debts	86,051,193	-	-	20,175,933	-	-	65,875,260
Less: Provision allocated to Debtors (refer note 10)	(86,051,193)	-	-	(20,175,933)	-	-	(65,875,260)
	4,241,238	-	-	411,248	-	-	4,454,110
Total	24,780,632	884,777	-	411,248	-	-	24,962,174

Nala Local Municipality

Financial statements

for the year ended 30 June 2007

Appendix B

(Page 1 of 2)

External loans

				Balance at 30 June 2006 R	Transfer to trade creditors R	Redeemed or written off during the Year R	Received during the year R	Balance at 30 June 2007 R
Annuity loans								
Descriptions	Interest rate	Period	Redemption Date					
Street Pavement Block	15.50%			50,620	-	-	-	50,620
Tar of Streets	16.75%			32,991	-	-	-	32,991
Parking Area Town Hall	16.75%			2,435	-	-	-	2,435
Endurance Road Stand	13.41%	-	-	43,576	-	(11,757)	-	31,819
Sewerage Stand 939	13.41%	-	-	13,167	-	(3,553)	-	9,614
Streetlight	17.45%	-	-	25,086	-	(3,754)	-	21,332
Network Meyerhof	17.26%	-	-	8,922	-	-	-	8,922
IncaWSB106U	15.50%	-	-	11,090	-	(4,037)	-	7,053
IncaWSB106Z	17.77%	-	-	8,452	-	(3,060)	-	5,392
IncaWSB107Z	17.00%	-	-	19,021	-	(14,572)	-	4,449
IncaWSB108M	17.00%	-	-	10,866	-	(6,640)	-	4,226
IncaWSB111Z	17.92%	-	-	153,109	-	(30,785)	-	122,323
DBSA 13122/101	10.25%	-	-	51,999	-	(15,318)	-	36,681
DBSA 13123/101	10.25%	-	-	24,768	-	(6,144)	-	18,624
DBSA 13124/101	13.45%	-	-	465,474	-	(21,611)	-	443,864
DBSA 13125/101	13.75%	-	-	426,280	-	(14,221)	-	412,059
DBSA 13126/101	16.38%	-	-	264,927	-	(52,346)	-	212,581
DBSA 13127/101	15.80%	-	-	761,125	-	(19,465)	-	741,660
DBSA 13128/101	13.95%	-	-	680,994	-	(148,112)	-	532,882
DBSA 13581/102	17.25%	-	-	-	-	-	-	-
				3,054,902	-	(355,375)	-	2,699,527

Nala Local Municipality

Financial statements

for the year ended 30 June 2007

Appendix B

(Page 2 of 2)

External loans (continued)

				Balance at	Transfer	Redeemed or written off	Received	Balance at
				30 June 2006 R	To trade creditors R	during the year R	during The year R	30 June 2007 R
<i>Descriptions</i>	<i>Interest rate</i>	<i>Period</i>	<i>Redemption Date</i>					
<i>Abattoir</i>								
Establishment GI35	19.00%	-	-	10,911	-	-	-	10,911
				10,911	-	-	-	10,911
<i>Water</i>								
Water Meyerhof	19.00%	-	-	1,801	-	-	-	1,801
Pipeline Symondstreet	16.75%	-	-	1,982	-	-	-	1,982
Water Strand	13.41%	-	-	4,233	-	(1,142)	-	3,091
Pipeline Carey Street	16.75%	-	-	9,004	-	(3,106)	-	5,898
		-	-	17,020	-	(4,248)	-	12,772
<i>Electricity</i>								
Switchgear				-	-	(2,302)	-	(2,302)
Meyerhof				-	-	(9,828)	-	(9,828)
Network Meyerhof 2	19.00%	-	-	5,182	-	(5,182)	-	-
Network SSK147	16.15%	-	-	58,527	-	(9,400)	-	49,127
Switchgear 11KV	17.45%	-	-	18,853	-	(2,821)	-	16,032
Upgrading 150	17.15%	-	-	59,656	-	(59,656)	-	-
Electricity ERF 939	13.41%	-	-	15,154	-	(4,088)	-	11,066
400A/420V Panel	17.45%	-	-	26,832	-	(4,015)	-	22,817
Interswitch	17.45%	-	-	7,496	-	(1,121)	-	6,375
Upgrading Network	17.45%	-	-	146,071	-	(21,860)	-	124,211
DBSA 10571 2/11 KV	15.75%	-	-	1,738,911	65,924	-	-	1,804,835
				2,076,682	65,924	(120,273)	-	2,022,333
				5,159,515	65,924	(479,896)	-	4,745,543

Refer to notes 4 and 16

Nala Local Municipality

Financial statements

for the year ended 30 June 2007

Analysis of fixed assets and loans redeemed and other capital receipts

Appendix C (Page 1 of 4)

Expenditure 2006 R	Service	Budget 2006 R	Balance at 30 June 2006 R	Expenditure 2007 R	Redeemed, transferred Or written off R	Balance at 30 June 2007 R
613,069	Rates and general services	-	96,680,219	-	-	96,680,219
355,707	Community services	-	59,396,492	674,902	-	60,071,394
-	Disaster Management	-	4,552	-	-	4,552
-	Municipal Manager	-	171,171	-	-	171,171
-	Roads and streets	-	29,713,445	-	-	29,713,445
50,531	Head of Finance	-	1,120,725	-	-	1,120,725
-	Head of Corporate	-	-	-	-	-
284,223	Technical Services: Head	-	314,330	-	-	314,330
-	Council General	-	17,256,504	674,902	-	17,931,406
-	Traffic and security	-	265,086	-	-	265,086
-	Crèche	-	32,525	-	-	32,525
-	Camps	-	1,962	-	-	1,962
-	Properties	-	7 618,506	-	-	7 618,506
-	Street Lighting	-	1,393,004	-	-	1,393,004
-	Post Office Monyakeng	-	400	-	-	400
-	Airport	-	38,595	-	-	38,595
-	Workshop	-	106,407	-	-	106,407
-	Unsold Erves	-	891,907	-	-	891,907
-	Special projects - LED	-	419,048	-	-	419,048
-	Special projects -	-	-	-	-	-
20,953	Youth Development	-	48,325	-	-	48,325
151,979	Subsidised services	-	8,763,705	-	-	8,763,705
151,979	Cemetery	-	354,143	-	-	354,143
-	Ambulance	-	27,407	-	-	27,407
-	Civil and buildings	-	1 867,767	-	-	1 867,767
-	Fire Brigade	-	80,886	-	-	80,886
-	Library	-	492,220	-	-	492,220
-	Sports and recreation	-	5,359,323	-	-	5,359,323
-	Health	-	581,959	-	-	581,959
507,686	Balance carried over	-	68,160,197	674,902	-	68,835,099

Nala Local Municipality

Financial statements

for the year ended 30 June 2007

Appendix C (Page 2 of 4)

Analysis of fixed assets and loans redeemed and other capital receipts (continued)

Expenditure 2006 R	Service	Budget 2007 R	Balance at 30 June 2006 R	Expenditure 2007 R	Redeemed, transferred or written off R	Balance at 30 June 2007 R
507,686	<i>Balance brought forward</i>	-	67,652,511	674,902	-	68,835,099
105,384	<i>Economic services</i>	-	28,027,708	-	-	28,133,092
-	Cleansing	-	3,360,687	-	-	3,360,687
-	Sanitation	-	23,714,140	-	-	23,714,140
105,384	Housing	-	952,881	-	-	952,881
-	<i>Trading services</i>	-	48,792,591	314,394	-	49,106,985
-	Electricity	-	28,585,153	264,479	-	28,849,632
-	Water	-	20,207,438	49,915	-	20,257,353
613,070	Total fixed assets	-	145,085,880	989,296	-	146,075,176

Nala Local Municipality

Financial statements

for the year ended 30 June 2007

Appendix C (Page 3 of 4)

Analysis of fixed assets and loans redeemed and other capital receipts (*continued*)

Expenditure 2006 R	Service	Balance at 30 June 2006 R	Expenditure 2007 R	Redeemed, transferred or written off R	Balance at 30 June 2007 R
613,069	Total fixed assets	144,472,810	989,296	-	146,075,176
-	Less: Loans redeemed and other capital receipts	(138,927,856)	(586,848)	-	(139,217,904)
	General expenditure				(105,033,065)
-	Contributions from income - General	(3,405,226)	-	-	(3,405,226)
-	External Loans - General	(39,796,541)	(259,136)	-	(40,055,677)
-	Erven Fund - General	(1,137,356)	(9,807)	-	(1,147,163)
-	Government Fund - General	(58,621,293)	-	-	(58,621,293)
-	Capital Reserve - General	(1,662,714)	-	-	(1,662,714)
-	Reserves - General	(140,992)	-	-	(140,992)
	Abattoir				40,831
-	External Loans - Abattoir	(664,326)	(21,105)	-	(685,431)
-	Capital Reserve - Abattoir	726,262	-	-	726,262
-	Balance carried over	(104,702,186)	(290,048)	-	(104,992,234)

Nala Local Municipality

Financial statements

for the year ended 30 June 2007

Appendix C (Page 4 of 4)

Analysis of fixed assets and loans redeemed and other capital receipts (continued)

Expenditure Service 2006 R	Balance at 30 June 2006 R	Expenditure 2007 R	Redeemed, transferred or written off R	Balance at 30 June 2007 R
- <i>Balance brought forward</i>	(104,702,186)	(290,048)	-	(104,992,234)
Electricity				
- Contributions from income – Electricity	(742,586)	-	-	(742,586)
- External Loans - Electricity	(1,515,522)	(289,524)	-	(1,805,046)
- Erven Fund - Electricity	(98,024)	-	-	(98,024)
- Capital Reserve - Electricity	(110,073)	-	-	(110,073)
- Reserves - Electricity	(17,096)	-	-	(17,096)
- Government fund - Electricity	(13,283,247)	-	-	(13,283,247)
Water				
- Contributions from income – Water	(106,776)	-	-	(106,776)
- External Loans - Water	(435,083)	(7,276)	-	(442,359)
- Erven Fund - Water	(35,480)	-	-	(35,480)
- Capital Reserve - Water	(70,954)	-	-	(70,954)
- Reserves – Water	(10,606)	-	-	(10,606)
- Government fund – Water	(17,800,223)	-	-	(17,800,223)
- Net fixed assets	5,544,954	402,448	-	6,571,078

Nala Local Municipality**Financial statements***for the year ended 30 June 2007***Appendix D****Analysis of operating income and expenditure**

Actual 2006 R		Actual 2007 R
Income		
35,987,000	Grants and subsidies	44,768,940
35,987,000	Central Government	44,768,940
-	Regional Government	-
91,926,803	Operating income	80,083,583
10,917,693	Assessment rates	7,865,588
702,607	Sale of electricity	560,245
150,754	Sale of water	200,736
1,335,705	Refuse	-
108,163	Sewerage	118,327
78,711,881	Other services charged	71,338,687
-	Interest received	25,583
<u>127,913,803</u>		<u>124,878,106</u>
Expenditure		
36,729,428	Salaries, wages and allowances	34,864,691
67,087,606	General expenses	68,407,138
11,298,091	Purchase of electricity	16,518,003
14,165,213	Purchase of water	12,298,731
41,624,302	Other expenses	39,590,404
1,576,389	Repairs and maintenance	-
3,005,195	Capital charges	714,367
613,000	Contribution to fixed assets	989,296
29,109,876	Contributions	-
138,121,494	Gross expenditure	104,975,492
245,656	Less: Amounts charged out	-
<u>138,367,150</u>	Net expenditure	<u>104,975,492</u>

Nala Local Municipality Financial statements

for the year ended 30 June 2007

Detailed income statement

Appendix E

(Page 1 of 2)

Actual revenue 2006 R	Actual expenditure 2006 R	Surplus/ (deficit) 2006 R		Actual Revenue 2007 R	Actual expenditure 2007 R	Surplus/ (deficit) 2007 R	Budget surplus/ (deficit) 2007 R
54,542,380	110,942,654	(56,400,274)	Rates and general Services	82,464,346	59,979,499	22,484,847	
22,337,322	43,695,153	(21,357,831)	Community services	55,161,499	47,169,916	7,991,583	5,845,523
242,953	434,529	(191,576)	Cemetery	259,511	530,240	(270,729)	(150,600)
30,153	1,268,398	(1,238,245)	Civil and buildings	29,435	1,288,070	(1,258,635)	(1,918,198)
10,917,693	-	10,917,693	Rates, taxes and levies	8,076,778	-	8,076,778	-
-	-	-	Stores	-	-	-	-
-	345,600	(345,600)	Personnel management	-	886,275	(886,275)	(295,883)
-	1,811	(1,811)	Aerodrome	500	2,767	(2,267)	-
6,284	86,980	(80,696)	Properties	4,064	164,762	(160,698)	(137,341)
11,205	2,492,036	(2,480,831)	Administration	9,308	2,521,736	(2,512,428)	(1,388,486)
1,229,966	5,995,583	(4,765,618)	Finance services:	45,973,529	8,030,062	37,943,467	21,425,241
-	2,369,612	(2,369,612)	Head	-	1,520,462	(1,520,462)	(1,325,320)
3,718,907	11,836,004	(8,117,097)	Municipal Manager	68,024	16,847,369	(16,779,345)	(4,902,570)
2,617	-	2,617	Council General	3,492	-	3,492	-
115,080	2,379,080	(2,224,000)	Licences	81,824	2,951,981	(2,870,157)	(2,204,608)
1,476,074	2,578,348	(1,102,274)	Traffic and security	629,881	5,913,057	(5,283,176)	(2,297,112)
9,915	610,343	(600,428)	Roads and streets	16,593	-	16,593	-
5,403	-	5,403	Technical services:	8,560	-	8,560	-
-	62,548	(62,548)	Head	-	77,547	(77,547)	(90,016)
-	-	-	Corporate Services:	-	2,144,277	(2,144,277)	(35,498)
-	956,728	(956,728)	Street Lighting	-	1,162,993	(1,162,993)	-
-	158,932	(158,932)	Abattoir & Vehicle expenses	-	118,004	(118,004)	(834,086)
3,930	216,899	(212,969)	Workshop	-	195,926	(195,926)	-
1,223,551	9,935,727	(8,712,176)	Labour relations	-	2,025,173	(2,025,173)	-
1,144,380	1,325,358	(180,978)	Marketing and communications	-	334,886	(334,886)	-
2,159,220	640,657	1,526,077	Sports and recreation	-	454,329	(454,329)	-
-	7,500	(7,500)	Special projects-LED	-	-	-	-
			Special projects-Other	-	-	-	-
			Training and selection	-	-	-	-
25,261,714	53,812,313	(28,550,599)	Subsidised services	15,998,192	9,506,519	6,491,673	-
3,601,779	1,063,587	2,538,193	Library	3,199	1,582,368	(1,579,169)	-
361,823	245,747	116,076	Fire Brigade	11,944	404,441	(392,497)	-
16,439,867	51,757,121	(35,317,253)	Sanitation and night soil	15,786,521	6,818,040	8,968,481	-
-	710,440	(710,440)	Health	196,528	289,283	(92,755)	-
4,858,245	35,419	4,822,826	Cleaning and waste	-	412,387	(412,387)	-
6,943,344	13,435,188	(6,491,844)	Economic service	11,304,655	3,303,064	8,001,591	(3,517,262)
7,858	1,495,355	(1,487,497)	Housing	5,130	1,531,388	(1,526,258)	(1,322,407)
6,935,486	11,939,833	(5,004,347)	Sewerage and purification	11,299,525	1,771,676	9,527,849	(2,194,855)
54,542,380	110,942,654	(56,400,274)	Balance carried over	82,464,346	59,979,499	22,484,847	

Nala Local Municipality

Financial statements

for the year ended 30 June 2007

Appendix E

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Detailed income statement (continued)

Actual Revenue 2006 R	Actual expenditure 2006 R	Surplus/ (deficit) 2006 R		Actual revenue 2007 R	Actual Expenditure 2007 R	Surplus/ (deficit) 2007 R	Budget surplus/ (deficit) 2007 R
			Rates and general services				
54,542,380	110,942,654	(56,400,274)		82,464,346	59,979,499	22,484,847	-
73,371,423	27,424,495	45,946,928	Trade services	38,387,572	28,816,734	9,570,838	2,218,125
31,529,847	17,113,626	14,416,222	Electricity	19,537,844	16,518,003	3,019,841	1,022,743
41,841,575	10,310,870	31,530,706	Water	18,849,728	12,298,731	6,550,997	1,195,382
			General	4,026,188	16,179,259	(12,153,071)	
			Interest	25,853	3,028,115	(3,002,262)	-
			Bad debts	-	12,772,587	(12,772,587)	-
			Bonus expense	-	50,316	(50,316)	-
			Vat receivable	4,000,335	-	4,000,335	
			Leave expense	-	328,241	(328,241)	-
<u>127,913,803</u>	<u>138,367,150</u>	(10,453,347)	Total	<u>124,878,106</u>	<u>104,975,492</u>	19,902,614	<u>4,546,386</u>
			Appropriation for the year (Refer note 17)			(16,166,392)	
			Net (deficit) / Surplus for the year			3,736,222	
		(10,453,347)					
		(32,103,537)	Retained deficit at the beginning of the year			(42,556,884)	
		(42,556,884)	Accumulated deficit at the end of the year			(38,820,661)	

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for the year ended 30 June 2007

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Statistical information

	Note	2007	2006
a) General services			
i) Population		134,512	134,512
ii) Valuation of property – Residential	13	R441,960,943	R244,702,750
Valuation of property – Commercial	13	R122,828,085	R54,302,188
Valuation of property – State	13	R54,450,850	R40,426,621
Valuation of property – Municipal	13	-	-
Last valuation done		1 September 2003	1 September 2003
iii) Number of residential properties		17,466	17,493
Number of commercial properties		795	565
iv) Number of agricultural properties		1,528	1,528
Number of industrial properties		34	34
v) Assessment rates – Land		R331,000,162	R330,631,107
Assessment rates – Improvements		R779,863,467	R771,570,272
vi) Income from assessment rates	13	R8,076,778	R11,261,528
b) Electricity statistics			
i) Number of users		25,836	12,041
ii) Units bought		38,309,498	61,607,579
iii) Units sold		27,132,590	44,550,092
iv) Units lost in distribution (ii) and (iii)		5,476,685	17,057,487
v) Units lost in distribution as percentage of (ii)		20%	28%
vi) Cost per unit bought (cents)		49c	19c
vii) Loss in distribution (iv), (vi) and (x)		R2,683,575.65	R3,240,922.53
viii) Cost per unit sold (operating expenditure – (iii) (cents))		46c	42c
ix) Income per unit sold (operating income – (iii) (cents))		51c	46c
Domestic			
- Basic		R33-62	R31-93
- Marginal		31c	30c
Commercial			
- Basic		R109-36	R103-86
- Marginal		31c	30c
- Administration fee		R125-35	R119-04
x) Number of street lights		72 High mast 6,733 Street lights	43 High mast 6,671 Street lights

Nala Local Municipality

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Statistical information (*continued*)

	2007	2006
c) Water statistics		
i) Number of users	17, 676	17, 301
ii) Units bought	4,727,019	2,349,530
iii) Units sold	1,436,717	1,788,196
iv) Units lost in distribution (ii) and (iii)	2,758,549	561,334
v) Units lost in distribution as percentage of (ii)	58%	24%
vi) Cost per unit bought	R2 -27	R3-39
vii) Loss in distribution (iv) and (vi)	R6,261,906	R1,902,922
viii) Cost per unit sold (operating expenditure – (iii))	R13-12	R11-46
ix) Income per unit sold (operating income – (iii))	R13-12	R12-48
d) Sundry statistics		
i) Area (hectares)	N/A	N/A
ii) Library books issued	73,148	75, 989
iii) Total personnel in service of Local Council	368	400